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SUBJECT: EMBASSY ADVOCACY EFFORTS IN BID FOR MUSCAT INTERNATIONAL
AIRPORT CONSTRUCTION CONTRACT

11. (SBU) As part of Post's ongoing advocacy efforts regarding Bechtel's bid for an approximately \$2 billion contract for the construction of Muscat International Airport, the Ambassador raised the matter with Sultan Qaboos during a one-on-one meeting on January 12. The Ambassador has also raised the issue with the Sultan's senior policy advisor, Dr. Omar Al Zawawi, on two occasions. The Ambassador commented to the Sultan and Al Zawawi on Oman's relatively transparent bidding and tendering process and encouraged further efforts at transparency. The Ambassador also highlighted key Bechtel achievements in the Gulf, including an aluminum smelter project in Oman and airport terminals in Riyadh, Doha and Dubai airports. The Sultan attentively listened to the Ambassador's remarks, said that he was familiar with Bechtel's activities in Oman and the Gulf, and wished Bechtel success. Subsequent to the Ambassador's conversation with the Sultan and during his second meeting with Al Zawawi, Al Zawawi informed the Ambassador that following their January 12 meeting, the Sultan had requested to be kept fully informed of every step of the contract bidding process. Specifically, the Sultan directed that he be informed of the decisions made and, importantly, on what basis they are made.

12. (SBU) COMMENT: The Ambassador was advised during a late fall 2009 meeting with Bechtel's Omani partner, Sheikh Suhail Bahwan, to mention the matter to the Sultan so that he would personally scrutinize the bidding process to ensure that the best company wins. The Sultan having asked to be kept fully informed on the bidding process creates the level playing field which the Embassy's advocacy efforts have sought. Based upon the two other competitor's comparatively minor experience in large airport builds, the Sultan's personal scrutiny of the bid places Bechtel in a strong position. END COMMENT.
Schmierer